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INDUSTRY CIRCULAR

OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE
ALCOHOL AND TOBACCO TAX DIVISION



WASHINGTON 25, D. C.

Industry Circular No. 61-31

July 14, 1961

MARK ON PACKAGES OF TOBACCO PRODUCTS

Manufacturers and importers
of tobacco products:

Purpose. Because some packages of tobacco products, particularly cigars, do not bear the mark required by regulations, possibly as the result of a misunderstanding of the marking requirement, this industry circular furnishes additional advice in respect to the mark required to be shown on all packages of tobacco products.

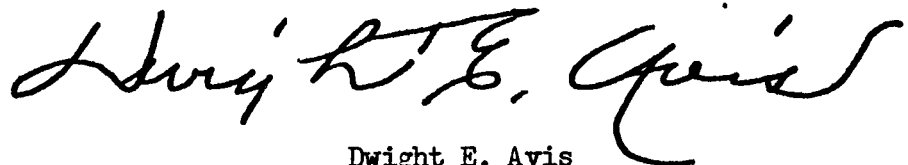
Background. Industry Circular No. 59-40, dated June 16, 1959, advised that each package of tobacco products removed subject to tax after June 24, 1959, must bear the mark required by 26 CFR 296.120, regardless of the quantity of such product contained in the package. Also, the circular advised that tubes of cellophane, glass, or metal, or similar containers, which hold only one cigar, are not packages within the meaning of the definition of a package where they are sold or delivered from a proper package bearing the mark as required by Section 296.120.

Regulatory Provisions. A package, as defined in 26 CFR Part 296 and in the proposed regulations in 26 CFR Part 270 (published in the Federal Register on June 7, 1961), is the container in which tobacco products are put up by the manufacturer or importer and offered for sale or delivery to the consumer. Each such package of tobacco products must bear the mark as required by Section 296.120. For clarity, we would like to emphasize that the provisions of paragraph (b) of Section 270.144 relating to subdivision parcels have been superseded by the provisions in Section 296.120. Subdivision parcels were long recognized under the stamp system as the practical means of avoiding the cumbersome stamping of many small packages. However, with the elimination of stamps there was no further need for the continuance of provisions for subdivision parcels.

Procedures. Under the regulations all tobacco products removed subject to tax must be put up by the manufacturer or importer in packages which shall be of such construction as will securely contain the products therein and maintain the mark as required by the regulations.

We would like to remind you that all packages of cigars or cigarettes consisting of two, three, four, five, or more cigars or cigarettes (even if the packages are only of cellophane or similar material), must bear the mark required by Section 296.120. Manufacturers presently using such packages which do not bear the required mark should advise their assistant regional commissioner as to the quantity of such stock on hand and the approximate time for its use, and request authorization to use such existing supplies.

Inquiries. Inquiries in regard to this industry circular should refer to its number and be addressed to the office of your assistant regional commissioner (alcohol and tobacco tax).

A handwritten signature in cursive script, reading "Dwight E. Avis". The signature is written in dark ink and is positioned above the printed name and title.

Dwight E. Avis
Director, Alcohol and Tobacco Tax Division